

**Executive Summary – Enforcement Matter – Case No. 48363**

**Davis Gas Processing, Inc.**

**RN100217686**

**Docket No. 2014-0337-AIR-E**

**Order Type:**

Findings Agreed Order

**Findings Order Justification:**

Three or more enforcement actions (NOVs, orders, etc.) over the prior five year period for the same violation(s).

**Media:**

AIR

**Small Business:**

No

**Location(s) Where Violation(s) Occurred:**

Big Lake Gas Plant, located six miles east of Big Lake and one mile south of U.S.

Highway 67, Reagan County

**Type of Operation:**

Natural gas compression and treatment plant

**Other Significant Matters:**

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: None

**Texas Register Publication Date:** June 27, 2014

**Comments Received:** No

***Penalty Information***

**Total Penalty Assessed:** \$14,939

**Amount Deferred for Expedited Settlement:** \$0

**Amount Deferred for Financial Inability to Pay:** \$0

**Total Paid to General Revenue:** \$14,939

**Total Due to General Revenue:** \$0

Payment Plan: N/A

**SEP Conditional Offset:** \$0

Name of SEP: N/A

**Compliance History Classifications:**

Person/CN - Satisfactory

Site/RN - Satisfactory

**Major Source:** Yes

**Statutory Limit Adjustment:** N/A

**Applicable Penalty Policy:** September 2011

**Executive Summary – Enforcement Matter – Case No. 48363**  
**Davis Gas Processing, Inc.**  
**RN100217686**  
**Docket No. 2014-0337-AIR-E**

***Investigation Information***

**Complaint Date(s):** N/A

**Complaint Information:** N/A

**Date(s) of Investigation:** January 17, 2014

**Date(s) of NOE(s):** February 13, 2014

***Violation Information***

1. Failed to prevent unauthorized emissions. Since this emissions event was reported late, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F) and (c) and 122.143(4), Permit No. 48944, Special Conditions (“SC”) No. 1 and General Conditions (“GC”) No. 8, Federal Operating Permit (“FOP”) No. O3060, Special Terms and Conditions (“STC”) No. 5 and General Terms and Conditions (“GTC”), and TEX. HEALTH & SAFETY CODE § 382.085(b)].

2. Failed to submit an initial notification for Incident No. 191311 within 24 hours after discovery of the emissions event [30 TEX. ADMIN. CODE § 101.201(a)(1)(B) and TEX. HEALTH & SAFETY CODE § 382.085(b)].

3. Failed to prevent unauthorized emissions. Since this emissions event was reported late, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222 [30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F) and (c) and 122.143(4), Permit No. 48944, SC No. 1 and GC No. 8, FOP No. O3060, STC No. 5 and GTC, and TEX. HEALTH & SAFETY CODE § 382.085(b)].

4. Failed to submit an initial notification for Incident No. 192057 within 24 hours after discovery of the emissions event [30 TEX. ADMIN. CODE § 101.201(a)(1)(B) and TEX. HEALTH & SAFETY CODE § 382.085(b)].

***Corrective Actions/Technical Requirements***

**Corrective Action(s) Completed:**

The Respondent has implemented the following corrective measures:

a. On December 14, 2013, Plant operations personnel contacted their field representatives to shutout wells such that the pressure and gas rate were decreased and contacted their gas buyers to ensure that the scheduled quantity of gas entering into the Plant was at or below Plant design limits, in order to prevent a recurrence of emissions events due to the same causes as Incident No. 192057; and

b. On December 20, 2013, the Plant’s Environmental Director communicated the Plant’s emissions event reporting procedures and reinforced the importance of timely

**Executive Summary – Enforcement Matter – Case No. 48363**  
**Davis Gas Processing, Inc.**  
**RN100217686**  
**Docket No. 2014-0337-AIR-E**

emissions event reporting to all Plant personnel to ensure that initial notifications of emissions events are submitted in a timely manner.

**Technical Requirements:**

The Order will require the Respondent to:

- a. Within 30 days, implement measures and procedures designed to prevent a recurrence of emissions events due to the same causes as Incident Nos. 191311; and
- b. Within 45 days, submit written certification to demonstrate compliance with Ordering Provision a.

***Litigation Information***

**Date Petition(s) Filed:** N/A

**Date Answer(s) Filed:** N/A

**SOAH Referral Date:** N/A

**Hearing Date(s):** N/A

**Settlement Date:** N/A

***Contact Information***

**TCEQ Attorney:** N/A

**TCEQ Enforcement Coordinator:** Raime Hayes-Falero, Enforcement Division, Enforcement Team 5, MC R-12, (713) 767-3567; Candy Garrett, Enforcement Division, MC 219, (512) 239-1456

**TCEQ SEP Coordinator:** N/A

**Respondent:** Michael Davis, Vice President, Davis Gas Processing, Inc., 211 North Colorado Street, Midland, Texas 79701

Bob Stewart, Environmental Coordinator, Davis Gas Processing, Inc., 211 North Colorado Street, Midland, Texas 79701

**Respondent's Attorney:** N/A





# Penalty Calculation Worksheet (PCW)

Policy Revision 3 (September 2011)

PCW Revision August 3, 2011

**TCEQ**

<b>DATES</b>	<b>Assigned</b>	18-Feb-2014	<b>Screening</b>	4-Mar-2014	<b>EPA Due</b>	10-Nov-2014
	<b>PCW</b>	6-May-2014				

## RESPONDENT/FACILITY INFORMATION

<b>Respondent</b>	Davis Gas Processing, Inc.				
<b>Reg. Ent. Ref. No.</b>	RN100217686				
<b>Facility/Site Region</b>	8-San Angelo	<b>Major/Minor Source</b>	Major		

## CASE INFORMATION

<b>Enf./Case ID No.</b>	48363	<b>No. of Violations</b>	4
<b>Docket No.</b>	2014-0337-AIR-E	<b>Order Type</b>	Findings
<b>Media Program(s)</b>	Air	<b>Government/Non-Profit</b>	No
<b>Multi-Media</b>		<b>Enf. Coordinator</b>	Kimberly Morales
		<b>EC's Team</b>	Enforcement Team 5
<b>Admin. Penalty \$ Limit Minimum</b>	\$0	<b>Maximum</b>	\$25,000

## Penalty Calculation Section

**TOTAL BASE PENALTY (Sum of violation base penalties)** **Subtotal 1** **\$8,000**

## ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

**Compliance History** **100.0%** Enhancement **Subtotals 2, 3, & 7** **\$8,000**

Notes

Enhancement for one NOV with same/similar violations, four orders with denial of liability, and one order without denial of liability.

**Culpability** **No** **0.0%** Enhancement **Subtotal 4** **\$0**

Notes

The Respondent does not meet the culpability criteria.

**Good Faith Effort to Comply Total Adjustments** **Subtotal 5** **-\$1,061**

**Economic Benefit** **0.0%** Enhancement\* **Subtotal 6** **\$0**

Total EB Amounts \$247  
Approx. Cost of Compliance \$10,500

\*Capped at the Total EB \$ Amount

**SUM OF SUBTOTALS 1-7** **Final Subtotal** **\$14,939**

**OTHER FACTORS AS JUSTICE MAY REQUIRE** **0.0%** **Adjustment** **\$0**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes

**Final Penalty Amount** **\$14,939**

**STATUTORY LIMIT ADJUSTMENT** **Final Assessed Penalty** **\$14,939**

**DEFERRAL** **0.0%** Reduction **Adjustment** **\$0**

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes

No deferral is recommended for Findings Orders.

**PAYABLE PENALTY** **\$14,939**

Screening Date 4-Mar-2014

Docket No. 2014-0337-AIR-E

PCW

Respondent Davis Gas Processing, Inc.

Policy Revision 3 (September 2011)

Case ID No. 48363

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100217686

Media [Statute] Air

Enf. Coordinator Kimberly Morales

## Compliance History Worksheet

## &gt;&gt; Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action ( <i>number of NOVs meeting criteria</i> )	1	5%
	Other written NOVs	0	0%
Orders	Any agreed final enforcement orders containing a denial of liability ( <i>number of orders meeting criteria</i> )	4	80%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	1	25%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government ( <i>number of judgements or consent decrees meeting criteria</i> )	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government ( <i>number of counts</i> )	0	0%
Emissions	Chronic excessive emissions events ( <i>number of events</i> )	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which notices were submitted</i> )	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 ( <i>number of audits for which violations were disclosed</i> )	0	0%

Please Enter Yes or No

Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 110%

## &gt;&gt; Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

## &gt;&gt; Compliance History Person Classification (Subtotal 7)

Satisfactory Performer

Adjustment Percentage (Subtotal 7) 0%

## &gt;&gt; Compliance History Summary

Compliance  
History  
Notes

Enhancement for one NOV with same/similar violations, four orders with denial of liability, and one order without denial of liability.

Total Compliance History Adjustment Percentage (Subtotals 2, 3, &amp; 7) 110%

## &gt;&gt; Final Compliance History Adjustment

Final Adjustment Percentage \*capped at 100% 100%

Screening Date 4-Mar-2014

Docket No. 2014-0337-AIR-E

PCW

Respondent Davis Gas Processing, Inc.

Policy Revision 3 (September 2011)

Case ID No. 48363

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100217686

Media [Statute] Air

Enf. Coordinator Kimberly Morales

Violation Number 1

Rule Cite(s)

30 Tex. Admin. Code §§ 116.115(b)(2)(F) and (c) and 122.143(4), Permit No. 48944, Special Conditions ("SC") No. 1 and General Conditions ("GC") No. 8, Federal Operating Permit ("FOP") No. O3060, Special Terms and Conditions ("STC") No. 5 and General Terms and Conditions ("GTC"), and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to prevent unauthorized emissions. Specifically, the Respondent released 1,552.79 pounds ("lbs") of carbon monoxide ("CO"), 777.94 lbs of nitrogen oxides ("NOx"), and 921.91 lbs of volatile organic compounds ("VOC") from the Flare, Emissions Point Number ("EPN") 17, during an emissions event (Incident No. 191311) that began on November 23, 2013 and lasted 43 hours and 38 minutes. The emissions event occurred due to equipment malfunctions and plant shutdown from freezing weather conditions. Since this emissions event was reported late, the Respondent is precluded from asserting an affirmative defense under 30 Tex. Admin. Code § 101.222.

Base Penalty \$25,000

## &gt;&gt; Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			x
Potential			

Percent 15.0%

## &gt;&gt; Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$21,250

\$3,750

## Violation Events

Number of Violation Events 1

2 Number of violation days

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	x
	semiannual	
	annual	
	single event	

Violation Base Penalty \$3,750

One quarterly event is recommended.

## Good Faith Efforts to Comply

0.0% Reduction

\$0

	Before NOV	NOV to EDRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	x	(mark with x)

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$3,750

## Economic Benefit (EB) for this violation

## Statutory Limit Test

Estimated EB Amount \$245

Violation Final Penalty Total \$7,500

This violation Final Assessed Penalty (adjusted for limits) \$7,500

# Economic Benefit Worksheet

**Respondent** Davis Gas Processing, Inc.  
**Case ID No.** 48363  
**Reg. Ent. Reference No.** RN100217686  
**Media** Air  
**Violation No.** 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

## Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$5,000	23-Nov-2013	15-Nov-2014	0.98	\$245	n/a	\$245

Notes for DELAYED costs

Estimated cost to implement measures and procedures designed to prevent a recurrence of emissions events due to the same causes as Incident No. 191311. The date required is the date the emissions event began. The final date is the date that corrective actions are expected to be completed.

## Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$5,000

TOTAL

\$245



Screening Date 4-Mar-2014

Docket No. 2014-0337-AIR-E

PCW

Respondent Davis Gas Processing, Inc.

Policy Revision 3 (September 2011)

Case ID No. 48363

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100217686

Media [Statute] Air

Enf. Coordinator Kimberly Morales

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code § 101.201(a)(1)(B) and Tex. Health &amp; Safety Code § 382.085(b)

## Violation Description

Failed to submit an initial notification for Incident No. 191311 within 24 hours after discovery of the emissions event. Specifically, the initial notification was due by November 24, 2013 at 12:20 p.m., but was not submitted until November 25, 2013 at 1:32 p.m.

Base Penalty \$25,000

## &gt;&gt; Environmental, Property and Human Health Matrix

OR

Release	Major	Moderate	Minor
Actual			
Potential			

Percent 0.0%

## &gt;&gt; Programmatic Matrix

Falsification	Major	Moderate	Minor
			X

Percent 1.0%

Matrix Notes

The Respondent met at least 70% of the rule requirements.

Adjustment \$24,750

\$250

## Violation Events

Number of Violation Events 1

2 Number of violation days

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	X

Violation Base Penalty \$250

One single event is recommended.

## Good Faith Efforts to Comply

25.0% Reduction

\$62

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary	X	
N/A		(mark with x)

Notes The Respondent completed corrective actions on December 20, 2013, before the February 13, 2014 NOE.

Violation Subtotal \$188

## Economic Benefit (EB) for this violation

## Statutory Limit Test

Estimated EB Amount \$2

Violation Final Penalty Total \$438

This violation Final Assessed Penalty (adjusted for limits) \$438

# Economic Benefit Worksheet

Respondent Davis Gas Processing, Inc.  
Case ID No. 48363  
Reg. Ent. Reference No. RN100217686  
Media Air  
Violation No. 2

Percent Interest 5.0  
Years of Depreciation 15

Item Cost Date Required Final Date Yrs Interest Saved Onetime Costs EB Amount  
Item Description No commas or \$

## Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$500	24-Nov-2013	20-Dec-2013	0.07	\$2	n/a	\$2

### Notes for DELAYED costs

Estimated cost for the Plant's Environmental Director to communicate the Plant's emissions event reporting procedures and reinforce the importance of timely emissions event reporting to all Plant personnel to ensure that initial notifications of emissions events are submitted in a timely manner. The date required is the date the initial notification was due. The final date is the date that corrective actions were completed.

## Avoided Costs

### ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

### Notes for AVOIDED costs

Approx. Cost of Compliance

\$500

TOTAL

\$2

Screening Date 4-Mar-2014

Docket No. 2014-0337-AIR-E

PCW

Respondent Davis Gas Processing, Inc.

Policy Revision 3 (September 2011)

Case ID No. 48363

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100217686

Media [Statute] Air

Enf. Coordinator Kimberly Morales

Violation Number 3

Rule Cite(s)

30 Tex. Admin. Code §§ 116.115(b)(2)(F) and (c) and 122.143(4), Permit No. 48944, SC No. 1 and GC No. 8, FOP No. 03060, STC No. 5 and GTC, and Tex. Health & Safety Code § 382.085(b)

Violation Description

Failed to prevent unauthorized emissions. Specifically, the Respondent released 491.38 lbs of sulfur dioxide, 255.81 lbs of CO, 185.38 lbs of VOC, 128.21 lbs of NOx, and 5.20 lbs of hydrogen sulfide from the Flare, EPN 17, during an emissions event (Incident No. 192057) that began on December 13, 2013 and lasted 11 hours and 55 minutes. The emissions event occurred when the inlet field pressure into the Plant increased above normal pipeline operating pressure. Since this emissions event was reported late, the Respondent is precluded from asserting an affirmative defense under 30 Tex. Admin. Code § 101.222.

Base Penalty \$25,000

## &gt;&gt; Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			x
Potential			

Percent 15.0%

## &gt;&gt; Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0.0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of the violation.

Adjustment \$21,250

\$3,750

## Violation Events

Number of Violation Events 1

1 Number of violation days

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	x
	semiannual	
	annual	
	single event	

Violation Base Penalty \$3,750

One quarterly event is recommended.

## Good Faith Efforts to Comply

25.0% Reduction

\$937

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary	x	
N/A		(mark with x)

Notes

The Respondent completed corrective actions on December 14, 2013, before the February 13, 2014 NOE.

Violation Subtotal \$2,813

## Economic Benefit (EB) for this violation

## Statutory Limit Test

Estimated EB Amount \$1

Violation Final Penalty Total \$6,563

This violation Final Assessed Penalty (adjusted for limits) \$6,563

# Economic Benefit Worksheet

**Respondent** Davis Gas Processing, Inc.  
**Case ID No.** 48363  
**Reg. Ent. Reference No.** RN100217686  
**Media** Air  
**Violation No.** 3

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

No commas or \$

## Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)	\$5,000	13-Dec-2013	14-Dec-2013	0.00	\$1	n/a	\$1

### Notes for DELAYED costs

Estimated cost for Plant operations personnel to contact their field representatives to shutout wells such that the pressure and gas rate were decreased and contact their gas buyers to ensure that the scheduled quantity of gas entering into the Plant was at or below Plant design limits, in order to prevent a recurrence of emissions events due to the same causes as Incident No. 192057. The date required is the date of the emissions event. The final date is the date that corrective actions were completed.

## Avoided Costs

### ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

### Notes for AVOIDED costs

Approx. Cost of Compliance

\$5,000

**TOTAL**

\$1

Screening Date 4-Mar-2014

Docket No. 2014-0337-AIR-E

PCW

Respondent Davis Gas Processing, Inc.

Policy Revision 3 (September 2011)

Case ID No. 48363

PCW Revision August 3, 2011

Reg. Ent. Reference No. RN100217686

Media [Statute] Air

Enf. Coordinator Kimberly Morales

Violation Number 4

Rule Cite(s) 30 Tex. Admin. Code § 101.201(a)(1)(B) and Tex. Health &amp; Safety Code § 382.085(b)

## Violation Description

Failed to submit an initial notification for Incident No. 192057 within 24 hours after discovery of the emissions event. Specifically, the initial notification was due by December 14, 2013 at 6:05 a.m., but was not submitted until December 14, 2013 at 11:55 a.m.

Base Penalty \$25,000

## &gt;&gt; Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0.0%

## &gt;&gt; Programmatic Matrix

Falsification	Major	Moderate	Minor
			X

Percent 1.0%

Matrix Notes

The Respondent met at least 70% of the rule requirements.

Adjustment \$24,750

\$250

## Violation Events

Number of Violation Events 1

1 Number of violation days

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	
	semiannual	
	annual	
	single event	X

Violation Base Penalty \$250

One single event is recommended.

## Good Faith Efforts to Comply

25.0% Reduction

\$62

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary	X	
N/A		(mark with x)

Notes The Respondent completed corrective actions on December 20, 2013, before the February 13, 2014 NOE.

Violation Subtotal \$188

## Economic Benefit (EB) for this violation

## Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$438

This violation Final Assessed Penalty (adjusted for limits) \$438

# Economic Benefit Worksheet

**Respondent** Davis Gas Processing, Inc.  
**Case ID No.** 48363  
**Reg. Ent. Reference No.** RN100217686  
**Media** Air  
**Violation No.** 4

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

## Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

The economic benefit for this violation is included in Violation No. 2.

## Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$0

TOTAL

\$0



# Compliance History Report

**PUBLISHED** Compliance History Report for CN601282502, RN100217686, Rating Year 2013 which includes Compliance History (CH) components from September 1, 2008, through August 31, 2013.

<b>Customer, Respondent, or Owner/Operator:</b>	CN601282502, Davis Gas Processing, Inc.	<b>Classification:</b>	SATISFACTORY	<b>Rating:</b>	7.53
<b>Regulated Entity:</b>	RN100217686, BIG LAKE GAS PLANT	<b>Classification:</b>	SATISFACTORY	<b>Rating:</b>	38.67
<b>Complexity Points:</b>	9	<b>Repeat Violator:</b>	NO		
<b>CH Group:</b>	03 - Oil and Gas Extraction				
<b>Location:</b>	6 MI EAST OF BIG LAKE AND 1 MILE SOUTH OF US 67, REAGAN COUNTY, TX				
<b>TCEQ Region:</b>	REGION 08 - SAN ANGELO				

## ID Number(s):

<b>AIR OPERATING PERMITS</b> ACCOUNT NUMBER RC0001Q	<b>AIR OPERATING PERMITS</b> PERMIT 380
<b>AIR OPERATING PERMITS</b> PERMIT 3060	<b>AIR OPERATING PERMITS</b> PERMIT 3060
<b>AIR NEW SOURCE PERMITS</b> AFS NUM 4838300003	<b>AIR NEW SOURCE PERMITS</b> ACCOUNT NUMBER RC0009A
<b>AIR NEW SOURCE PERMITS</b> PERMIT 48944	<b>AIR NEW SOURCE PERMITS</b> REGISTRATION 49802
<b>AIR NEW SOURCE PERMITS</b> REGISTRATION 100855	<b>AIR NEW SOURCE PERMITS</b> REGISTRATION 102163
<b>AIR EMISSIONS INVENTORY</b> ACCOUNT NUMBER RC0001Q	

<b>Compliance History Period:</b>	September 01, 2008 to August 31, 2013	<b>Rating Year:</b>	2013	<b>Rating Date:</b>	09/01/2013
<b>Date Compliance History Report Prepared:</b>	March 24, 2014				
<b>Agency Decision Requiring Compliance History:</b>	Enforcement				
<b>Component Period Selected:</b>	March 24, 2009 to March 24, 2014				

## TCEQ Staff Member to Contact for Additional Information Regarding This Compliance History.

**Name:** Kimberly Morales

**Phone:** (713) 422-8938

## Site and Owner/Operator History:

- 1) Has the site been in existence and/or operation for the full five year compliance period? YES
- 2) Has there been a (known) change in ownership/operator of the site during the compliance period? NO
- 3) If **YES** for #2, who is the current owner/operator? N/A
- 4) If **YES** for #2, who was/were the prior owner(s)/operator(s)? N/A
- 5) If **YES**, when did the change(s) in owner or operator occur? N/A

## Components (Multimedia) for the Site Are Listed in Sections A - J

### A. Final Orders, court judgments, and consent decrees:

- 1 Effective Date: 05/22/2011 ADMINORDER 2009-1782-AIR-E (1660 Order-Agreed Order With Denial)  
Classification: Minor  
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
30 TAC Chapter 122, SubChapter B 122.146(2)  
5C THSC Chapter 382 382.085(b)  
Rqmt Prov: GOP No O-00380, Site-wide (b)(1) and (2) OP  
Description: Failed to certify compliance with the terms and conditions of the Title V permit for at least each 12 month period no later than 30 days after the end of the reporting period. Specifically, the annual certification for the period of August 5, 2008 through August 4, 2009 was due no later than September 3, 2009, and was not submitted until September 21, 2009.  
Classification: Moderate  
Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
30 TAC Chapter 122, SubChapter B 122.145(2)(C)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: GOP Number O3060, General Terms B2 OP

Description: Failed to submit deviation reports no later than 30 days after the end of the reporting period. Specifically, the deviation report for the period of August 5, 2008 through February 4, 2009 was due no later than March 6, 2009 and was not submitted until June 25, 2009; the deviation report for the reporting period of February 5, 2009 through August 4, 2009 was due no later than September 3, 2009 and was not submitted until September 21, 2009.

Classification: Moderate

Citation: 30 TAC Chapter 113, SubChapter C 113.390  
30 TAC Chapter 116, SubChapter B 116.115(c)  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT HH 63.764(c)(1)  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT HH 63.765(b)(1)  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT HH 63.771(d)(1)(i)(D)  
5C THSC Chapter 382 382.085(b)

Rqmt Prov: 48944 Special Condition No. 1 PERMIT

Description: Failed to maintain compliance with the maximum allowable emissions rate table for volatile organic compounds ("VOC") at the dehydration unit [emission point number ("EPN") 12 EG Still Vent]. Specifically, the triethylene glycol emissions from the dehydration unit required a modification of the control process on November 1, 2002, and this change did not occur until August 19, 2009. During the time period from November 1, 2002 until August 19, 2009, the following VOC emissions were released....

Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.121  
30 TAC Chapter 122, SubChapter F 122.503(c)  
5C THSC Chapter 382 382.085(b)

Rqmt Prov: O-00380 Site-wide requirements (b)(5) OP

Description: Failed to submit an application for a new Authorization to Operate under the GOP. Specifically, the change from ethylene glycol to triethylene glycol required an application for a new authorization to operate on November 1, 2002. The new permit was not granted until October 5, 2009.

Classification: Moderate

Citation: 30 TAC Chapter 122, SubChapter B 122.143(4)  
30 TAC Chapter 122, SubChapter B 122.145(2)(A)  
5C THSC Chapter 382 382.085(b)

Rqmt Prov: 514 Site-wide requirements (b)(1)&(2) OP

Description: Failed to report all instances of deviations no later than 30 days after the end of the reporting period. Specifically, the deviation report for the reporting period of August 5, 2002 through February 4, 2003, failed to include the deviation of the change in use from ethylene glycol to triethylene glycol on November 1, 2002; it was not included in a report until September 21, 2009 (2,391 days late)

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter A 101.10(a)  
5C THSC Chapter 382 382.085(b)

Description: Failed to submit a complete and accurate Emissions Inventory ("EI"). Specifically, the EI for the years 2002 through 2007 and 2009 did not contain accurate information.

Classification: Minor

Citation: 2A TWC Chapter 5, SubChapter A 5.702  
30 TAC Chapter 101, SubChapter A 101.27(a)  
5C THSC Chapter 382 382.085(b)

Description: Failed to pay outstanding air emissions fees for Financial Administration Account No. 21004388.

2 Effective Date: 02/05/2012 ADMINORDER 2011-1119-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)  
5C THSC Chapter 382 382.085(b)

Description: Failed to submit initial notifications for Incident Nos. 150548, 150594, and 152785 within 24 hours after discovery of the emissions events.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)

Rqmt Prov: 48944 PERMIT

Special Terms and Conditions No. 5 OP

Description: Failed to prevent unauthorized emissions.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)



Rqmt Prov: 48944 PERMIT

Special Terms and Conditions No. 5 OP

Description: Failed to prevent unauthorized emissions.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: 48944 PERMIT

Standard Terms and Conditions No. 5 OP

Description: Failed to prevent unauthorized emissions.

3 Effective Date: 08/02/2012 ADMINORDER 2011-2008-AIR-E (1660 Order-Agreed Order With Denial)

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)

5C THSC Chapter 382 382.085(b)

Description: Failed to submit an initial notification for Incident No. 155062 within 24 hours after discovery of the emissions event. Specifically, the initial notification was due by May 25, 2011 at 2:00 p.m., but was not submitted until May 30, 2011 at 11:18 a.m.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: 48944 PERMIT

General Terms and Conditions OP

Special Terms and Conditions No. 5 OP

Description: Failure to prevent unauthorized emissions.

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)

5C THSC Chapter 382 382.085(b)

Description: Failed to submit an initial notification for Incident No. 156106 within 24 hours after discovery of the emissions event. Specifically, the initial notification was due by June 24, 2011 at 12:24 p.m., but was not submitted until June 24, 2011 at 2:22 p.m.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: 48944 PERMIT

General Terms and Conditions OP

Special Terms and Conditions No. 5 OP

Description: Failure to prevent unauthorized emissions.

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)

5C THSC Chapter 382 382.085(b)

Description: Failed to submit an initial notification for Incident No. 157881 within 24 hours after discovery of the emissions event. Specifically, the initial notification was due by August 9, 2011 at 3:05 p.m., but was not submitted until August 10, 2011 at 4:35 p.m.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: 48994 PERMIT

General Terms and Conditions OP

Special Terms and Conditions No. 5 OP

Description: Failure to prevent unauthorized emissions.

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)

5C THSC Chapter 382 382.085(b)

Description: Failed to submit an initial notification for Incident No. 159321 within 24 hours after discovery of the emissions event. Specifically, the initial notification was due by September 17, 2011 at 9:07 a.m., but was not submitted until September 17, 2011 at 2:19 p.m.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
Rqmt Prov: 48944 PERMIT  
General Terms and Conditions OP  
Special Terms and Conditions No. 5 OP  
Description: Failure to prevent unauthorized emissions.

- 4 Effective Date: 12/16/2012 ADMINORDER 2012-0982-AIR-E (1660 Order-Agreed Order With Denial)  
Classification: Minor  
Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)  
5C THSC Chapter 382 382.085(b)  
Description: Failed to submit an initial notification for Incident No. 160052 within 24 hours after discovery of the emissions event. Specifically, the initial notification was due by October 4, 2011 at 3:00 a.m., but was not submitted until October 4, 2011 at 1:51 p.m.  
Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)  
Rqmt Prov: 48944 PERMIT  
FOP O3060, GTC OP  
FOP O3060, ST&C 5 OP  
Description: Failed to prevent unauthorized emissions. Specifically, the Respondent released 1,856.14 lbs of SO<sub>2</sub>, 218.02 lbs of CO, 164.00 lbs of VOCs, 106.68 lbs of NO<sub>x</sub>, and 19.7 lbs of H<sub>2</sub>S from the Plant Flare, EPN 17, during an emissions event (Incident No. 160052) that began on October 3, 2011 and lasted six hours and 12 minutes. The emissions event was caused when the acid gas compressor shut down due to low suction.
- 5 Effective Date: 11/11/2013 ADMINORDER 2012-2029-AIR-E (Findings Order-Agreed Order Without Denial)  
Classification: Major  
Citation: 30 TAC Chapter 101, SubChapter A 101.20(2)  
30 TAC Chapter 113, SubChapter C 113.390  
30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
40 CFR Chapter 63, SubChapter C, PT 63, SubPT HH 63.765(c)(1)  
5C THSC Chapter 382 382.085(b)  
Rqmt Prov: 48944, Special Condition 1 PERMIT  
48944, Special Condition 7 PERMIT  
O3060, General Terms and Conditions OP  
O3060, Special Terms & Conditions No. 5 OP  
Description: Failed to route emissions from Unit 12 to the flare, EPN 17.  
Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter F 116.615(2)  
5C THSC Chapter 382 382.085(b)  
Rqmt Prov: 90541 PERMIT  
Description: Failed to comply with representations and emission limits in a standard permit.  
Classification: Minor  
Citation: 30 TAC Chapter 122, SubChapter B 122.145(2)(A)  
5C THSC Chapter 382 382.085(b)  
Rqmt Prov: General Terms and Conditions OP  
Description: Failed to report all instances of deviations.  
Classification: Moderate  
Citation: 30 TAC Chapter 111, SubChapter A 111.111(a)(4)(A)(ii)  
5C THSC Chapter 382 382.085(b)  
Description: Failed to monitor and record visible emission observations for EPN 17.  
Classification: Minor  
Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)  
5C THSC Chapter 382 382.085(b)  
Description: Failed to submit an initial notification for Incident No. 170653 within 24 hours after discovery of the emissions event.  
Classification: Moderate  
Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)  
30 TAC Chapter 122, SubChapter B 122.143(4)  
5C THSC Chapter 382 382.085(b)

Rqmt Prov: 48944 PERMIT

O3060, General Terms & Conditions OP

O3060, Special Terms & Conditions No. 5 OP

Description: Failure to prevent unauthorized emissions.

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)

5C THSC Chapter 382 382.085(b)

Description: Failed to submit an initial notification for Incident No. 162457 within 24 hours after discovery of the emissions event.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: 48944 PERMIT

O3060, General Terms & Conditions OP

O3060, Special Terms & Conditions No. 5 OP

Description: Failed to prevent unauthorized emissions.

Classification: Minor

Citation: 30 TAC Chapter 101, SubChapter F 101.201(a)

5C THSC Chapter 382 382.085(b)

Description: Failed to submit an initial notification for Incident No. 179743 within 24 hours after discovery of the emissions event.

Classification: Moderate

Citation: 30 TAC Chapter 116, SubChapter B 116.115(c)

30 TAC Chapter 122, SubChapter B 122.143(4)

5C THSC Chapter 382 382.085(b)

Rqmt Prov: 48944 PERMIT

O3060, General Terms & Conditions OP

O3060, Special Terms & Conditions No. 5 OP

Description: Failed to prevent unauthorized emissions.

#### **B. Criminal convictions:**

N/A

#### **C. Chronic excessive emissions events:**

N/A

#### **D. The approval dates of investigations (CCEDS Inv. Track. No.):**

Item 1	May 19, 2009	(746168)
Item 2	June 16, 2009	(749639)
Item 3	October 12, 2009	(777778)
Item 4	December 28, 2009	(786618)
Item 5	February 24, 2010	(793085)
Item 6	March 29, 2010	(797344)
Item 7	June 16, 2010	(827138)
Item 8	January 12, 2011	(887342)
Item 9	January 21, 2011	(890688)
Item 10	March 10, 2011	(899589)
Item 11	July 01, 2011	(936444)
Item 12	June 28, 2012	(1014460)
Item 13	January 30, 2013	(1056006)
Item 14	January 31, 2013	(1056072)
Item 15	February 04, 2013	(1056543)
Item 16	February 06, 2013	(1056733)
Item 17	February 11, 2013	(1057167)
Item 18	February 21, 2013	(1056841)
Item 19	February 25, 2013	(1059313)
Item 20	February 26, 2013	(1059802)
Item 21	February 28, 2013	(1060178)
Item 22	March 06, 2013	(1073184)

Item 23	March 07, 2013	(1073390)
Item 24	March 13, 2013	(1073776)
Item 25	March 18, 2013	(1074272)
Item 26	April 16, 2013	(1078168)

#### E. Written notices of violations (NOV) (CCEDS Inv. Track. No.):

A notice of violation represents a written allegation of a violation of a specific regulatory requirement from the commission to a regulated entity. A notice of violation is not a final enforcement action, nor proof that a violation has actually occurred.

1	Date:	09/03/2013	(1116127)	CN601282502
	Self Report?	NO		Classification: Moderate
	Citation:	30 TAC Chapter 111, SubChapter A 111.111(a)(1)(A) 30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b) Special Condition 3(A)(iv)1 OP Special Condition 3(A)(iv)3 OP		
	Description:	The failure to comply with all terms and conditions codified in the permit in regards to observations of visible emissions from stationary vents and from a building, enclosed facility, or other structures associated with an air emission source for the 2nd and 3rd calendar quarter and maintain records of all observations. The deviation indicates that quarterly visible emissions observations were not maintained from April 5, 2012 through October 4, 2012.		
	Self Report?	NO		Classification: Moderate
	Citation:	30 TAC Chapter 116, SubChapter B 116.115(c) 30 TAC Chapter 122, SubChapter B 122.143(4) 5C THSC Chapter 382 382.085(b) Special Condition 5E PERMIT Special Condition 6A PERMIT Special Condition 9A1 PERMIT Special Condition 9C PERMIT		
	Description:	The failure to comply with all special conditions of the permit is a violation of Federal Operating Permit No. O-3060, NSR Permit No. 48944 Special Conditions Nos. 6.A., 5.E., 9.C., 9.A(1), and 30 TEX. ADMIN. CODE §§ 116.115(c), 122.143(4), and TEX. HEALTH & SAFETY CODE § 382.085(b), as documented during an investigation conducted from July 17, 2013 through September 27, 2013.		
	Self Report?	NO		Classification: Moderate
	Citation:	30 TAC Chapter 116, SubChapter B 116.115(b)(2)(F) 30 TAC Chapter 116, SubChapter B 116.115(c)		
	Description:	Failure to comply with all general and special conditions of the permit.		
	Self Report?	NO		Classification: Moderate
	Citation:	30 TAC Chapter 122, SubChapter B 122.145(2)(A) 5C THSC Chapter 382 382.085(b)		
	Description:	The permit holder shall comply with all terms and conditions for General Terms and Conditions contained in 30 TAC 122.145 Record Keeping Terms and Conditions.		

#### F. Environmental audits:

N/A

#### G. Type of environmental management systems (EMSs):

N/A

#### H. Voluntary on-site compliance assessment dates:

N/A

#### I. Participation in a voluntary pollution reduction program:

N/A

#### J. Early compliance:

N/A

#### Sites Outside of Texas:

N/A

# TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN  
ENFORCEMENT ACTION  
CONCERNING  
DAVIS GAS PROCESSING, INC.  
RN100217686**

**§ BEFORE THE  
§  
§ TEXAS COMMISSION ON  
§  
§ ENVIRONMENTAL QUALITY**

## **AGREED ORDER DOCKET NO. 2014-0337-AIR-E**

At its \_\_\_\_\_ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding Davis Gas Processing, Inc. ("Respondent") under the authority of TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent presented this agreement to the Commission.

The Respondent understands that it has certain procedural rights at certain points in the enforcement process, including, but not limited to, the right to formal notice of violations, notice of an evidentiary hearing, the right to an evidentiary hearing, and a right to appeal. By entering into this Agreed Order, the Respondent agrees to waive all notice and procedural rights.

It is further understood and agreed that this Order represents the complete and fully-integrated settlement of the parties. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable. The duties and responsibilities imposed by this Agreed Order are binding upon the Respondent.

The Commission makes the following Findings of Fact and Conclusions of Law:

### **I. FINDINGS OF FACT**

1. The Respondent owns and operates a natural gas compression and treatment plant located six miles east of Big Lake and one mile south of United States Highway 67 in Reagan County, Texas (the "Plant").

2. The Plant consists of one or more sources as defined in TEX. HEALTH & SAFETY CODE § 382.003(12).
3. During a record review conducted on January 17, 2014, TCEQ staff documented that the Respondent released 1,552.79 pounds ("lbs") of carbon monoxide ("CO"), 777.94 lbs of nitrogen oxides ("NOx"), and 921.91 lbs of volatile organic compounds ("VOC") from the Flare, Emissions Point Number ("EPN") 17, during an emissions event (Incident No. 191311) that began on November 23, 2013 and lasted 43 hours and 38 minutes. The emissions event occurred due to equipment malfunctions and plant shutdown from freezing weather conditions. The TCEQ determined that this emissions event was reported late.
4. During a record review conducted on January 17, 2014, TCEQ staff documented that the initial notification for Incident No. 191311 was due by November 24, 2013 at 12:20 p.m., but was not submitted until November 25, 2013 at 1:32 p.m.
5. During a record review conducted on January 17, 2014, TCEQ staff documented that the Respondent released 491.38 lbs of sulfur dioxide, 255.81 lbs of CO, 185.38 lbs of VOC, 128.21 lbs of NOx, and 5.20 lbs of hydrogen sulfide from the Flare, EPN 17, during an emissions event (Incident No. 192057) that began on December 13, 2013 and lasted 11 hours and 55 minutes. The emissions event occurred when the inlet field pressure into the Plant increased above normal pipeline operating pressure. The TCEQ determined that this emissions event was reported late.
6. During a record review conducted on January 17, 2014, TCEQ staff documented that the initial notification for Incident No. 192057 was due by December 14, 2013 at 6:05 a.m., but was not submitted until December 14, 2013 at 11:55 a.m.
7. The Respondent received notice of the violations on February 15, 2014.
8. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Plant:
  - a. On December 14, 2013, Plant operations personnel contacted their field representatives to shutout wells such that the pressure and gas rate were decreased and contacted their gas buyers to ensure that the scheduled quantity of gas entering into the Plant was at or below Plant design limits, in order to prevent a recurrence of emissions events due to the same causes as Incident No. 192057; and
  - b. On December 20, 2013, the Plant's Environmental Director communicated the Plant's emissions event reporting procedures and reinforced the importance of timely emissions event reporting to all Plant personnel to ensure that initial notifications of emissions events are submitted in a timely manner.

## II. CONCLUSIONS OF LAW

1. The Respondent is subject to the jurisdiction of the TCEQ pursuant to TEX. HEALTH & SAFETY CODE ch. 382 and TEX. WATER CODE ch. 7 and the rules of the Commission.
2. As evidenced by Findings of Fact No. 3, the Respondent failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F) and (c) and 122.143(4), Permit No. 48944, Special Conditions ("SC") No. 1 and General Conditions ("GC") No. 8, Federal Operating Permit ("FOP") No. O3060, Special Terms and Conditions ("STC") No. 5 and General Terms and Conditions ("GTC"), and TEX. HEALTH & SAFETY CODE § 382.085(b). Since this emissions event was reported late, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.
3. As evidenced by Findings of Fact No. 4, the Respondent failed to submit an initial notification for Incident No. 191311 within 24 hours after discovery of the emissions event, in violation of 30 TEX. ADMIN. CODE § 101.201(a)(1)(B) and TEX. HEALTH & SAFETY CODE § 382.085(b).
4. As evidenced by Findings of Fact No. 5, the Respondent failed to prevent unauthorized emissions, in violation of 30 TEX. ADMIN. CODE §§ 116.115(b)(2)(F) and (c) and 122.143(4), Permit No. 48944, SC No. 1 and GC No. 8, FOP No. O3060, STC No. 5 and GTC, and TEX. HEALTH & SAFETY CODE § 382.085(b). Since this emissions event was reported late, the Respondent is precluded from asserting an affirmative defense under 30 TEX. ADMIN. CODE § 101.222.
5. As evidenced by Findings of Fact No. 6, the Respondent failed to submit an initial notification for Incident No. 192057 within 24 hours after discovery of the emissions event, in violation of 30 TEX. ADMIN. CODE § 101.201(a)(1)(B) and TEX. HEALTH & SAFETY CODE § 382.085(b).
6. Pursuant to TEX. WATER CODE § 7.051, the Commission has the authority to assess an administrative penalty against the Respondent for violations of the Texas Water Code and the Texas Health and Safety Code within the Commission's jurisdiction; for violations of rules adopted under such statutes; or for violations of orders or permits issued under such statutes.
7. An administrative penalty in the amount of Fourteen Thousand Nine Hundred Thirty-Nine Dollars (\$14,939) is justified by the facts recited in this Agreed Order, and considered in light of the factors set forth in TEX. WATER CODE § 7.053. The Respondent has paid the Fourteen Thousand Nine Hundred Thirty-Nine Dollar (\$14,939) administrative penalty.

### III. ORDERING PROVISIONS

NOW, THEREFORE, THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY ORDERS that:

1. The Respondent is assessed an administrative penalty in the amount of Fourteen Thousand Nine Hundred Thirty-Nine Dollars (\$14,939) as set forth in Section II, Paragraph 7 above, for violations of TCEQ rules and state statutes. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order completely resolve the violations set forth by this Agreed Order in this action. However, the Commission shall not be constrained in any manner from requiring corrective actions or penalties for other violations that are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: Davis Gas Processing, Inc., Docket No. 2014-0337-AIR-E" to:

Financial Administration Division, Revenue Operations Section  
Attention: Cashier's Office, MC 214  
Texas Commission on Environmental Quality  
P.O. Box 13088  
Austin, Texas 78711-3088

2. The Respondent shall undertake the following technical requirements:
  - a. Within 30 days after the effective date of this Agreed Order, implement measures and procedures designed to prevent a recurrence of emissions events due to the same causes as Incident Nos. 191311; and
  - b. Within 45 days after the effective date of this Agreed Order, submit written certification as described below, and include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance with Ordering Provision No. 2.a. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations."



The certification shall be submitted to:

Order Compliance Team  
Enforcement Division, MC 149A  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, Texas 78711-3087

with a copy to:

Air Section Manager  
San Angelo Regional Office  
Texas Commission on Environmental Quality  
622 South Oakes, Suite K  
San Angelo, Texas 76903-7035

3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Plant operations referenced in this Agreed Order.
4. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.
6. The Executive Director may refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings without notice to the Respondent if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
7. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.

8. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
9. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.
10. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties. By law, the effective date of this Agreed Order is the third day after the mailing date, as provided by 30 TEX. ADMIN. CODE § 70.10(b) and TEX. GOV'T CODE § 2001.142.

## SIGNATURE PAGE

### TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

Pam Maurer J  
For the Executive Director

7/18/14  
Date

I, the undersigned, have read and understand the attached Agreed Order in the matter of Davis Gas Processing, Inc. I am authorized to agree to the attached Agreed Order on behalf of Davis Gas Processing, Inc., and do agree to the specified terms and conditions. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I understand that by entering into this Agreed Order, Davis Gas Processing, Inc. waives certain procedural rights, including, but not limited to, the right to formal notice of violations addressed by this Agreed Order, notice of an evidentiary hearing, the right to an evidentiary hearing, and the right to appeal. I agree to the terms of the Agreed Order in lieu of an evidentiary hearing. This Agreed Order constitutes full and final adjudication by the Commission of the violations set forth in this Agreed Order.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

Michael Davis  
Signature

5-23-14  
Date

Michael Davis  
Name (Printed or typed)  
Authorized Representative of  
Davis Gas Processing, Inc.

Vice-President  
Title

**Instructions:** Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenue Operations Section at the address in Section III, Paragraph 1 of this Agreed Order.